



STATE OF MICHIGAN

JENNIFER M. GRANHOLM
GOVERNOR

DEPARTMENT OF NATURAL RESOURCES
LANSING

REBECCA A. HUMPHRIES
DIRECTOR

CHANGE IN REFUND POLICY REGARDING ATTORNEY TITLE OPINIONS

The State of Michigan has required an Attorney's Title Opinion for all tax-reverted parcels awarded at Oil and Gas Lease Auctions since June, 2005. Successful bidders for offerings containing tax-reverted parcels must provide an acceptable Attorney's Title Opinion within six months of the auction date. Currently, if an acceptable Attorney's Title Opinion is not provided within six months, a lease is not issued and the Department of Natural Resources (DNR) refunds the bonus and rental paid. In some instances, Attorney's Title Opinions are not being submitted for significant numbers of leases. The DNR and the Michigan Oil and Gas Association agree that this situation increases the opportunity for speculation and may result in acreage being held off the market. As a consequence, the DNR has changed its policy and ***will no longer issue refunds when an acceptable Attorney's Title Opinion is not submitted by the due date.*** For the December 6, 2006 auction, that due date is June 7, 2007.

In the circumstance where an acceptable Attorney's Title Opinion indicating a prior severance is submitted by the due date, the DNR will continue to refund the bonus and rental amounts paid for those parcels.

If you have any questions regarding the above information, please contact Ms. Julie Manson at (517) 335-3232 or mansonja@michigan.gov

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